

What are the banking and situational based questions asked in IBPS PO interview?

Gauri Sankar, Retired banker from a nationalised bank in India

SET-4

01.

What do you mean by money laundering?

Using the banking channel for the purpose of bringing illegal money is known as money laundering.

02.

What do you mean by subprime lending?

Mass lending by commercial banks to the borrowers without ascertaining the credit worthiness of the borrowers

03.

What is meant by LPG and who is responsible for introduction of LPG strategy in our country?

LPG means liberalization, privatization and globalization and this was coined by Dr. Manmohan Singh, the then finance minister of our country. The salient highlights of the Liberalisation, Privatisation and Globalisation Policy in India are: Foreign Technology Agreements; Foreign Investment; MRTP Act, 1969 (Amended); Industrial Licensing; Deregulation Beginning of privatization; Opportunities for overseas trade; Steps to regulate inflation; Tax reforms; Abolition of License - Permit Raj

04.

What do you mean by PURA?

PURA means providing urban amenities in rural areas. This concept was coined by Dr. A.P.J. Abdul Kalam, the then president of India.

05.

What do you know by current ratio?

It is one equation between current assets and current liabilities. This ratio provides the liquidity position of the organization. When the ratio is more than one it is known as positive current ratio and the unit is having sufficient working capital and when it is less than one, the unit is found to have more current liabilities than current assets and the liquidity position is found to be very weak.

06.

What do you know about negotiable instruments act?

In India, the negotiable instruments act was passed during 1881 which came into force with effect from March 01, 1882. Negotiable instruments means and include promissory note, bills of exchange and cheque payable to order or bearer. Promissory note, bill of exchange, cheque and demand draft are negotiable instruments.

07.

What do you know by MICR?

MICR means magnetic ink character recognition. MICR code is available in MICR bank at the bottom of the cheque or demand draft. It consists of nine numerical digits of which the first three digits represent the centre/city; the middle three digits represent the bank and the last three digits represent the branch of the bank.

08.

When it comes to rural lending, which are all considered to be priority sector advances?

When it comes to rural lending, the loans granted to the following are considered to be priority sector advances – Loans granted to all agriculture related activities; self help group; Differential rate of interest; Loans to SC/ST beneficiaries; Loans provided to doctors for setting up clinics in rural areas; Loans to dealers in fertilizers and pesticides; loans to dealers of springler irrigation and drip irrigation equipments etc.,

09.

Who is called as an authorized dealer?

Authorised dealer is at present known as authorized person. Authorised person is an individual or organization permitted to deal in foreign exchange business in the country.

10.

What do you know by financial inclusion?

Financial inclusion means the following: Providing formal banking services to poor people in urban and rural areas; Promoting the habit of money savings, insurance, pension-investment among poor people; Helping the people in getting loans at reasonable rates from commercial banks so that they do not become victims to local moneylenders

11.

What are the important initiatives taken through financial inclusion in the country?

The following are the important initiatives taken through financial inclusion in our country: Lead banking scheme; No frill accounts; Basic savings bank deposit accounts; JANDHAN accounts; business correspondent and business facilitator facilities; Swabhiman campaign;

12.

What do you mean by MCLR?

MCLR replaces the base rate system. RBI introduced the system with effect from 01.04.2016 in order to determine the base rate by commercial to improve the efficiency of monetary policy transmission. All rupee loans sanctioned and credit limits renewed with effect from 01.04.2016 to be priced with reference to MCLR and it will be an internal benchmark for the banks. It consists of marginal cost of funds, negative carry on account of CRR, operating costs and tenor premium. The marginal cost of funds consists of two components namely; marginal cost of borrowings and return on networth

13.

What are the major money market instruments?

Certificate of deposits; Commercial paper; Inter Bank participation certificates; inter bank term money; Treasury bills; Bills rediscounting and call/notice money

14.

What are the differences between NEFT and RTGS?

Both are two categories of online remittance facilities through CBS enabled branches of commercial banks. The minimum balance that can be sent through RTGS is Rupees two lakhs whereas in the case of NEFT, there is no such limit. The beneficiary gets his funds at real time and it

means instantaneously without any loss of time. In the case of the beneficiary gets his funds in between batches

15.

Who is deciding the rate of interest for savings deposit accounts?

Rate of interest for savings deposits is decided by respective commercial banks only and RBI has permitted full freedom in this connection.

16.

Who cannot open savings deposit accounts?

Proprietorship concerns, partnership firms, limited liability partnership firms, private limited companies and public limited companies are not permitted to open savings accounts

17.

What is meant by memorandum of association?

Memorandum of association is the parent document for any company whether it is a private limited company or private limited company. It contains the details of formation of the company, policies, objectives, registered office and more.

18.

What is known as power of attorney?

Power of attorney is an authorization given by one person called as principal in favour of another person called as an agent authorizing the agent to perform certain activities on behalf of the principal and it can be specific power of attorney or particular power of attorney.

19.

In which currencies FCNR accounts can be opened in our country?

FCNR account can be opened in the following currencies namely; US dollars, Sterling Pounds; Euro; Japanese Yen; Australian dollars and Canadian dollars.

20.

What are the differences between NRE and FCNR?

NRE and FCNR accounts are opened by non resident Indians and Persons of Indian Origin in India. NRE accounts are to be opened in rupees whereas FCNR is opened in foreign currencies. NRE accounts can be opened in the form of savings account, current account, reinvestment deposit and fixed deposit whereas, FCNR account is permitted to be opened as fixed deposit or reinvestment deposit. NRE term deposits can be opened for a minimum period of seven days and maximum period of ten years. FCNR accounts can be opened for a minimum period of one year and maximum period of five years.